# LIFE SCIENCES SNAPSHOT

A Quarterly Report on Financing Trends

**VENTURE FUNDING AND TECH TRENDS IN SUPPLEMENTS**
**Q2 2023**

orrick

Data provided by

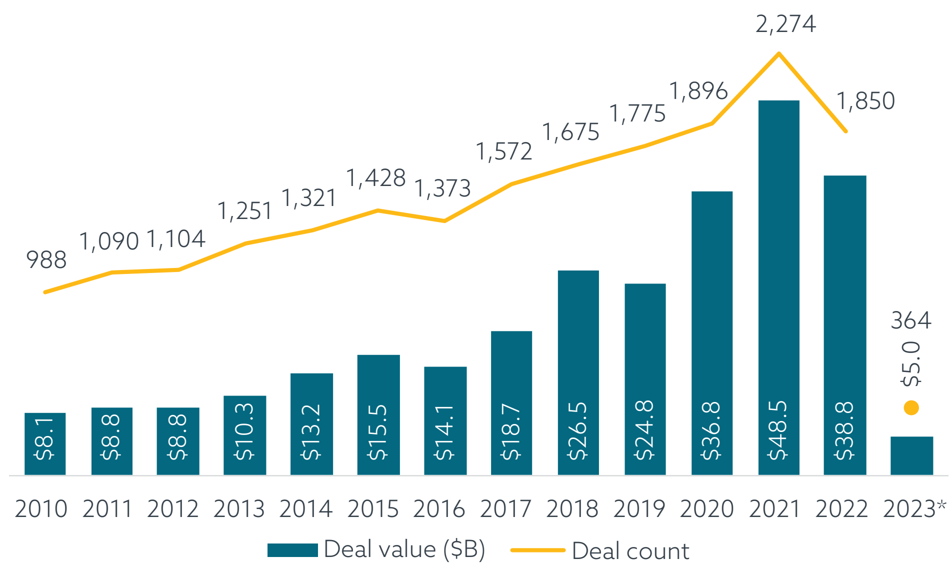
PitchBook

# Key Takeaways

This report series examines quarterly trends in life sciences venture investment. Key findings for Q1 2023 include:

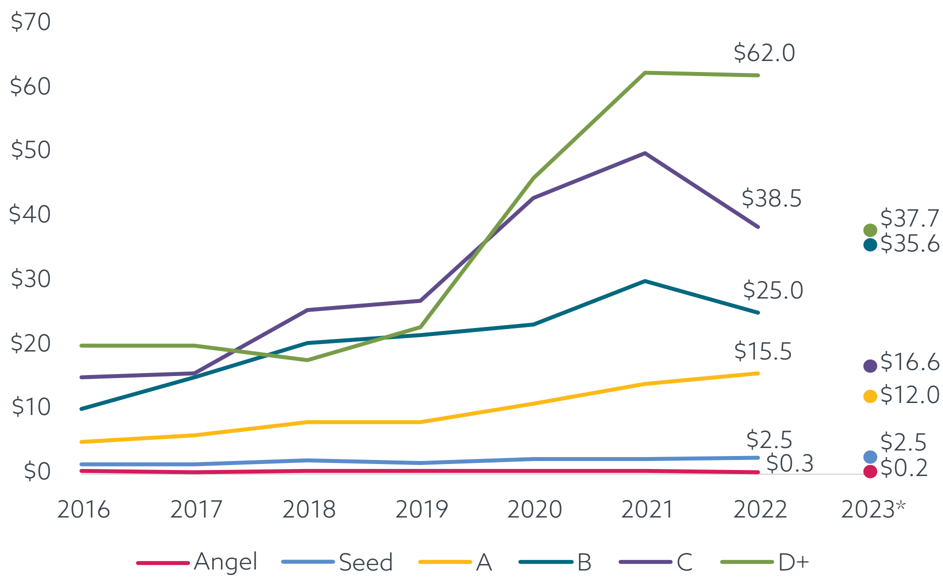
- Life sciences VC deal value totaled $5.0 billion across 364 deals, representing a 40.9% decline in value from the previous quarter.
- Deal size trends reflected challenges faced by late-stage companies, with the median deal sizes for both Series C and D down significantly since the end of 2022.
- Valuations were more resilient, and the median pre-money valuation grew 27.2% for the angel and seed category and 24.6% for the late-stage VC category. The median valuation for early-stage VC declined 19.4% in the same period but remains relatively high compared to historical levels.
- Exit activity reached $1.3 billion across 25 deals in Q1. Exit activity remains low after a precipitous decline between 2021 and 2022, and Q1 2023 demonstrated the lowest quarter for both deal value and count. Public market downturn began in early 2022.

## Life sciences VC deal activity




Source: PitchBook | Geography: US *As of March 31, 2023

## Median life sciences VC deal value ($M) by series

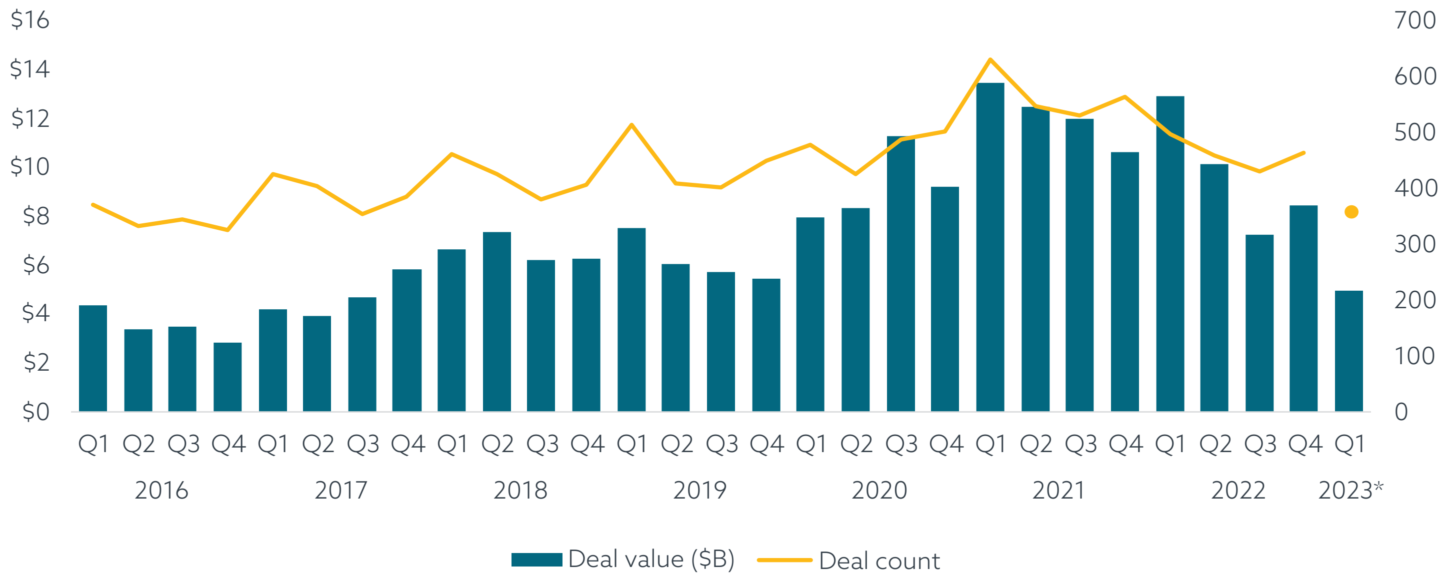



Source: PitchBook | Geography: US *As of March 31, 2023

*Note: In 2023, angel, Series C and Series D have low data counts.*

# Market Analysis

## Life sciences VC deal activity by quarter

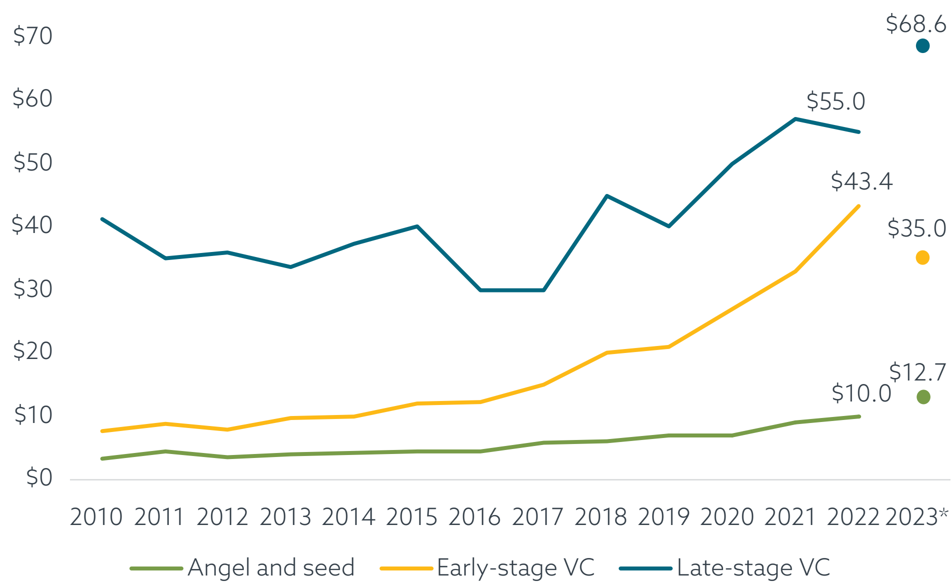



Source: PitchBook | Geography: US
*As of March 31, 2023

VC activity in 2023 had an especially sluggish start, with $5.0 billion in deal value, representing the slowest quarter since Q3 2017. Prolonged economic uncertainty is weighing on investors in the form of slower fundraising, which will ultimately impact dealmaking in future quarters and lead to firms leaning toward more conservative check writing.

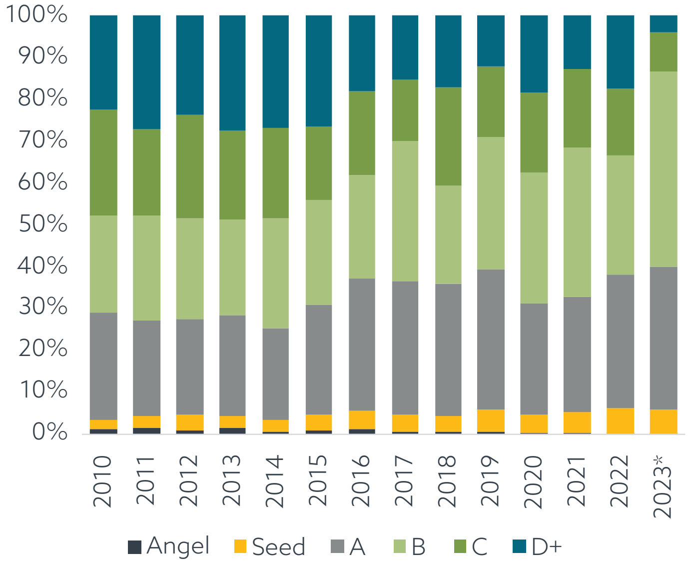
Deal sizes are down across several series, though most dramatically for the later Series C and D+, which dropped 56.9% and 39.2%, respectively. These late-stage companies experienced the most pronounced declines in valuations throughout the market turbulence that emerged in 2022 as perceived exit values appeared to decline. Whether large, recently announced M&A transactions will reverse this trend remains to be seen. Deal sizes for earlier rounds experienced a mixed bag of changes in Q1, but all fared

## Median life sciences pre-money valuations ($M) by stage



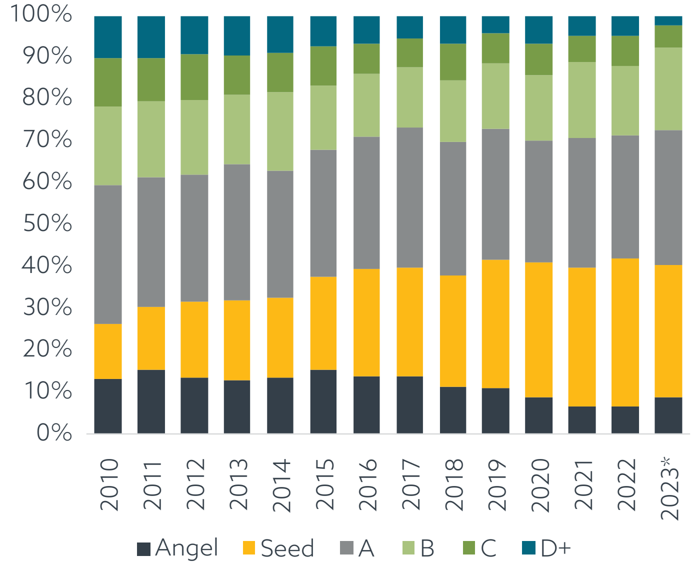

Source: PitchBook | Geography: US
*As of March 31, 2023
*Note: In 2010, 2011, and 2023 angel and seed has low data counts.*

## Share of life sciences VC deal value by series



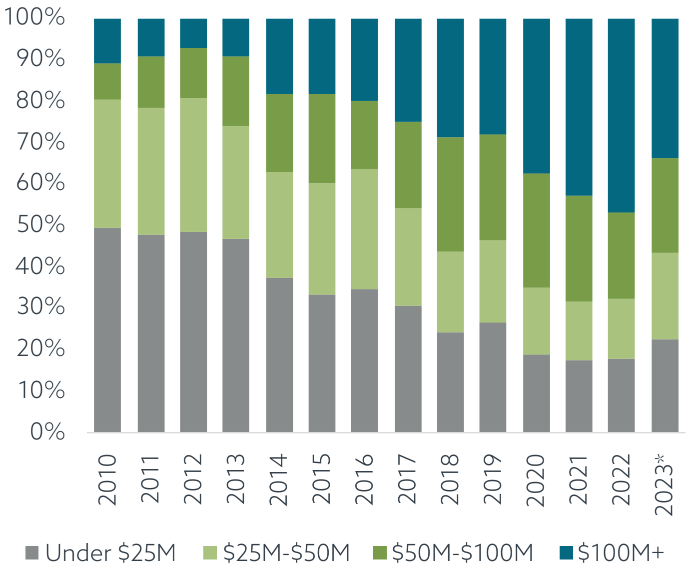

Source: PitchBook | Geography: US
*As of March 31, 2023

## Share of life sciences VC deal count by series



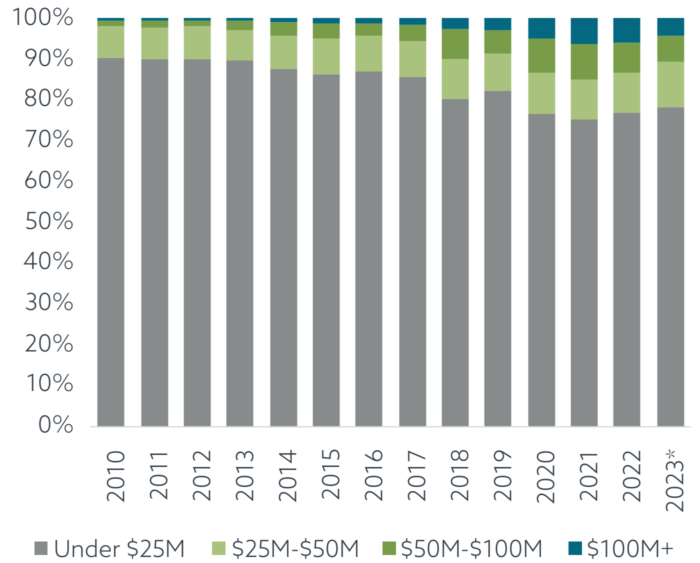

Source: PitchBook | Geography: US
*As of March 31, 2023

## Share of life sciences VC deal value by size range




Source: PitchBook | Geography: US
*As of March 31, 2023

## Share of life sciences VC deal count by size range



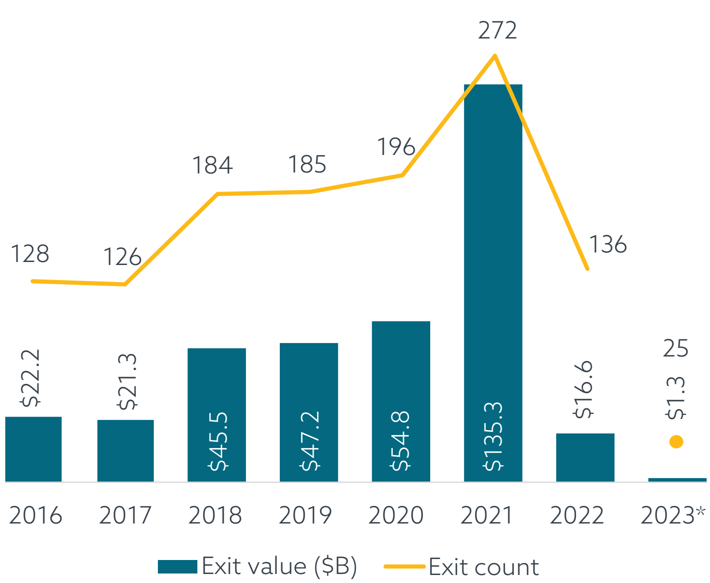

Source: PitchBook | Geography: US
*As of March 31, 2023

# Market Analysis

better than C and D+. Early-stage pre-money valuations declined 19.4% in Q1. The difficulties faced by late-stage companies are reflected in the overall share of total deal value and count, with smaller deals accounting for a larger share year-to-date. Deals under $100 million represented 66.4% of deal value in Q1 2023, compared with 53.3% in 2021 and 57.2% in 2020.

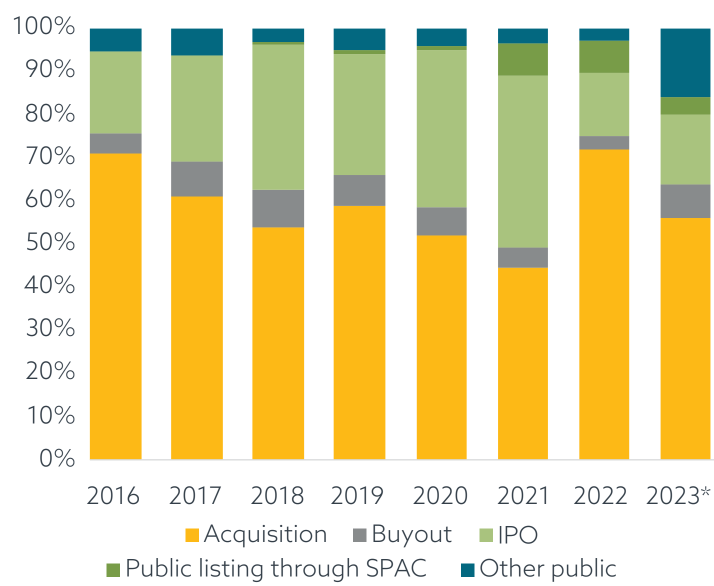
Exits still present significant challenges across the VC landscape, and the life sciences industry is no exception. The Q1 2023 exit value of $1.3 billion was lower than any quarter in 2022, when the downturn began. The era of IPO exuberance is long over, but the life sciences industry stands out as public listings still account for a material portion of exits. IPOs drove $1.0 billion of exit value in Q1 as life sciences startups braved the negative public market environment in search of additional sources of capital. The significant upside potential for life sciences companies, such as drug developers, will continue to draw interest from the public markets, thus insulating them to some degree from continued turbulence. M&A dealmakers, including pharmaceutical giants, took advantage of the market downturn in 2022 as evidenced by an increased share of exits attributed to acquisitions, and this activity will be bolstered by continued economic uncertainty. The slowing pace of inflation is a positive economic signal but will take time to manifest itself in the public and private markets.

Life sciences VC exit activity




Source: PitchBook | Geography: US
*As of March 31, 2023

Share of life sciences VC exit count by type




Source: PitchBook | Geography: US
*As of March 31, 2023

# Roundtable

## Participants

Managing funds that focus on health care and actively investing in pre-seed through Series A & B stage companies.

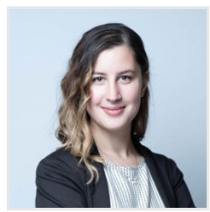
**Steve Allen**
Partner, Digitalis Ventures

Decoding microbiomes to understand what makes elite phenotypes unique. And then translating that information into next-gen nutrition to improve human health and performance.

**Jonathan Scheiman**
Co-Founder & CEO, FitBiomics

Empowering people to take ownership of their health by providing transparent, nature-backed nutrition. Made with powerful adaptogen mushrooms, Earthy products fuel both the mind and body.

**Brooks Bash**
Founder, Earthy

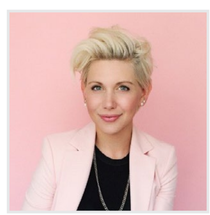


Learn Your Body's Needs in 90 Seconds! Discover the benefits of Vivoo, the #1 at-home urine test for personalized nutrition and lifestyle guidance.

**Miray Tayfun**
Co-Founder & CEO, Vivoo

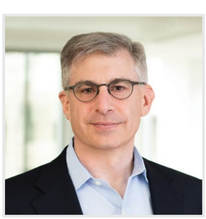
VC that is active in this space and which recently invested in MycoMedica, developer of medical life science platform intended to unlock the healing potential of the fungal genome for people and the planet.

**James Joaquin**
Co-founder & Managing Director, Obvious Ventures

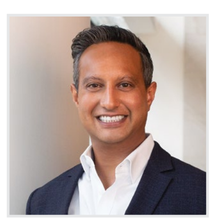


PYM's mission is to provide safe, natural and effective mental hygiene products to promote self-care and end the stigma around mental health. PYM prepares your mind to produce the naturally occurring neurotransmitters that help you feel like yourself again.

**Olivia June Williams**
Co-Founder, PYM



**Stephen Thau**
Partner and Co-Chair of Life Sciences Group, Orrick



**Neel Lilani**
Global Head of Tech Clients, Orrick

## INTRODUCTION

*From personalization to cognitive enhancement, start-ups in the vitamin and supplements industry are finding new ways to innovate. Venture capitalists are placing their bets that advances in novel techniques will usher in a new and more credible wave of supplements. In this roundtable discussion, we speak to some of the founders and investors paving the way for innovation in this exciting space.*

*Many of us take some sort of nutritional supplement every day, whether we're professional athletes, office workers, or something in between — so many of us, in fact, that the nutritional supplements market is projected to reach more than $600 billion by 2030, according to consumer reports.*

**Neel Lilani: Welcome everyone and thank you for joining us today. To kick things off, let's dig in to the supplements arena - what attributes are particularly important to consumers in the present day, and more generally, where do you think this market is heading?**

**Olivia June Williams:** Something we look at a lot is SPINS Data. This is the data that you get from retailers on what product sales are moving the market. We're seeing that the top spend in the last year and year-over-year growth is happening in cognitive health, cognitive mood and organ support, and gut health in particular. These are areas in which we have products. But these are the core growth areas that we see from just the retailer's data. We're also seeing that consumers are really looking at DMS packaging labels for organic, B Corp, gluten free, and non-GMO labeling. Those are the core things we're seeing in the market.

**Jonathan Scheiman:** I think it's an interesting time in society. My Ph.D. is in biomedicine, and traditionally, when you think of biotech, it's a 10-year, billion-dollar endeavor to develop drugs to treat disease. If you look at society as a whole, the leading cause of death is actually chronic disease. Sixty percent of adults in the U.S. have at least one chronic disease. The CDC says this is caused by poor nutrition and sedentary lifestyles. I think there's a huge opportunity to apply biotechnology in terms of food-as-medicine and exercise-as-medicine applications.

This is what FitBiomics is doing—we're creating "Generally Regarded As Safe" (GRAS) modalities that we could bring to market in a fraction of the time with orders of magnitude; less capital to take more of a preventative health measure. You're looking at folks who want to take charge of their health, and this is what we're seeing: gut health, cognitive health, energy and fatigue. If you combine that with the food system and chronic disease, there's a huge opportunity for modalities that provide benefits to consumers to prevent them from getting sick.

**Brooks Bash:** Trust is everything to people today. About 75 percent of Millennials and Gen Z are willing to pay a higher price for sustainably and ethically-sourced products. What that says to us is that people are looking for brands doing things the right way. Gone are the days of cutting corners and putting cheap ingredients into a product. People really want to know where it's coming from, why it's in there, and what it's going to be doing to your body.

**James Joaquin:** One trend that we see in the vitamin and supplements category is this move from single-ingredient vitamins (you know, the white bottle with a strange word that you can't pronounce) to functional benefits. Consumers are not buying a vitamin; they're buying a functional benefit that could be, for example, sleep. It could be digestion. It could be beauty. The new wave of vitamin and mineral supplement companies is building ingredient stacks to deliver those functional benefits. Another shift we're seeing is new form factors and new occasions of use: what we call "stealth health." It's the idea of taking these efficacious ingredients and sneaking them into an existing product; that might be your morning coffee, and you might have a Myco mushroom adaptogen stack added to it. It could also be your afternoon snack bar, and that snack bar, in addition to delivering calories, is also delivering some efficacious health benefits with a supplement stack inside of it.

**Miray Tayfun:** The relationship between nutrient intake and chronic disease is becoming increasingly understood thanks to current scientific studies. Although we have better access to whole foods compared to previous decades, unfortunately, 70% of Americans still don't get enough calcium in their daily diets and 60% don't get enough magnesium, which can lead to one in four women developing osteoporosis after age 65. Additionally, 50% of all adults suffer from insomnia. Everyone has a different diet and their own weak spots. For instance, some people don't like certain foods and miss out on important nutrients as a result. At Vivoo, our goal is to help prevent this by suggesting alternative food groups or supplements to replace what they're missing.

Functional foods are having a moment, especially for millennial mothers, as they want to give their kids the right nutrients. But they want to make it fun, too. Basically, what they're trying to do is put everything they need in a morning smoothie, then be safe for the rest of the day.

**Neel: Steve and James: What are some critical diligence questions that you are posing to founders in this space and what sort of KPIs are you evaluating?**

**Steve Allen:** We are very science-based, so one of the things that we would look for is evidence of efficacy: proof that this is not just relying on what I call "borrowed science," but you've actually done some work showing that the particular formulation that you're working with actually does something positive for the consumer. The other thing that comes back to is Brooks' point that today's consumer is very conscious about the origin of ingredients that are in a formulation. They want certainty about where those ingredients are being sourced, and confidence in the testing. If you make a label claim, you have to be able to stand by it and not wake up one morning and find out that the origin of some of the ingredients in your product is not up to what consumers today expect.

**James:** I think at the highest level, my team and I are asking founders about what problem they are trying to solve. What solution are they building, and what's their consumer insight? I think, as an example, Olivia and her team are building what I call "mood food." That's my shorthand for the new concept that your metabolic intake can positively affect your mental health. It's a fundamentally different insight than has been present in the past 50 years of food and supplements. The other big question we ask entrepreneurs is: "how are you going to reach your consumer?" Are they building a direct-to-consumer subscription business? There are many success stories in that area, but the road is also lined with skeletons of companies that have unable to make a business work there. Are they building an Amazon business? That's a very different channel and requires very different expertise. Or are they building a wholesale business with retailers like Target and Walmart? The Holy Grail is to be multichannel and service two or even all three, but it takes a lot of expertise, a lot of intention, and a lot of careful use of capital to figure out how to go to market and find your customer.

**Stephen Thau: How do you think about barriers to entry and keeping competition out?**

**Olivia:** I think the most important thing is building a relationship with the customer and building a brand, because that's something specific in the supplement space that gets a bit tricky. You know it's not a biotech company where you are building up to a billion dollars to invent a new ingredient. What you're really doing is building proprietary, trademarkable, or patentable combinations of ingredients, and then also building a brand that is trusted and reliable for consumers. They know that they must stay with you because they're getting the results that they want with your brand, and they might not be able to get that elsewhere. It's too risky for them to make that change, particularly when you're focusing on things that are really core to life's functionalities, like mental health or gut health.

**Neel: Given the relatively high levels or churn in the supplements industry, how are you designing products and businesses that have strong customer retention and high investment appeal?**

**Jonathan:** I say that it's a combination of things. I think innovation is important. Provocative storytelling, like decoding the microbiome of elite athletes now to develop next gen health for everybody. We've seen a lot of success with public relations and storytelling. Our customers are really loyal, so once they come in, and there's efficaciousness with the product, they'll stick with it. Obviously, there's a lot we do to continue to tell them about what we're doing, how unique it is, and how this could benefit them long term.

**James:** We've had two portfolio companies that built significant businesses around helping consumers with sleep. Sleep is a must-have category, and if you have an efficacious product, it's pretty easy to set up a daily habit with a consumer. And if you all think about it, how many products do you use every day? It's a pretty short list. It's rare air to get on the daily use list. So supplements wellness companies that make it there have found the key to unlock success.

You can also think about other categories, like longevity. There are numerous brands that are promising supplements to extend your health span and your lifespan overall. Of course, it's hard to know whether those are working. You have to wait 20 years before you really know if there's efficacy. It's harder for those companies and brands to set up a daily habit and a long-term use pattern with consumers.

**Olivia:** Yeah, I think the longer you can provide instant gratification, or the sooner you can provide it, you're better able to lock in that behavior pattern.

It's also important to think about the demographics you're addressing. Baby Boomers are four times more likely to stay subscribed to a supplement product. Fifty percent of our customers are Boomers. So, we're thinking about who we're targeting with our products and also each channel that we use to sell to them. It's easier to retain a subscriber on a D to C channel versus a retail channel. That person has to show up to a store, they have to look on the shelves... It's all about asking, how do we get a customer from a retail persona into a D to C subscriber persona? What's the path to getting them there? Things like QR codes on packaging, incentives on packaging, funny social media. How do you get them to your social media channel? Things like that are essential, and then getting them locked into using a lot of the retention tools that you get with having a digital business (like recharge SMS messages, for example). Those are things that really help a customer stay engaged, but it's always thinking about how we can get them to go from an Amazon customer to a D to C customer. Because if you can get them working directly with you, you can tell the story.

**Miray:** We offer personalized supplements as an upsell, but our main product is a digital app that works alongside an at-home test. Our focus is on addressing the challenge of consistency in taking supplements, and getting the right nutrients rather than random decisions. Retentions in this market is low as it can be difficult to stay on track. Despite the proven effectiveness of supplements, it's common to fall out of routine and miss a day, which can make a subscription feel less valuable over time. To combat this issue, our application includes personal notification reminders, and other features to help users stay accountable. By leveraging digital technology, we can provide ongoing reminders to users and ensure they don't forget about the supplements they have at home. Our goal is to make taking supplements a more consistent and manageable process for our customers.

**Jonathan:** I think the longevity angle is very, very pertinent, and I think supplements in general have a negative connotation, because they're considered superfluous. But I do think in this day and age, they're essential because of chronic disease. If you want to talk about longevity and living forever, it's basically all about preventing chronic disease.

**Brooks:** A powerful brand does more than just sell products. We're building a whole community around what we're doing. As a subscriber, you get access to our online digital platform where community members can interact with, learn from, and grow with each other. We'll be hosting in-person events where people can engage, challenge themselves, and feel part of our community which give them more value beyond what they purchased.

**Neel: Steve, how are you thinking about strengthening lifetime value in your current portfolio?**

**Steve:** First, customer acquisition costs have shot up dramatically in the last 12 months. So, there is focus on trying to keep the customer that you've already paid a lot of money to acquire, perhaps by cross-selling them. This requires a very deft touch: a team that intimately understands the needs of their customer You walk a very fine line, because some customers can feel aggravated by constant SMS reminders. But if you do that properly, with the right incentives and the right messaging, and again, with a deep understanding of your customer's needs, I think it can work for you.

**Neel: I know that the regulatory implications for each of the businesses here are quite different from one another. But as we're considering the regulatory environment broadly and general receptivity within regulatory bodies to approve supplements and get them out of the market quickly, I'm curious how you all are thinking about that, as well as how investors are considering those risks when contemplating potential opportunities.**

**Brooks:** It's a massive problem. There is very little oversight into supplements and what's going on the labels and marketing. There are broad consequences if a product hurts a lot of consumers, or makes false claims, but there is a huge gray area that companies are taking advantage of. It seems every day a new headline comes out about a company being caught lying in their marketing, or about a hidden ingredient with major health implications.

Proprietary blends are BS. You have no idea how much of each ingredient is included in that blend. There's a term called "angel dusting," where companies use a very small amount of an ingredient to make label claims, when in reality, it does not have an effective dose. So yeah, it's the Wild West out there.

At Earthy, we are a fully transparent company. Every ingredient that goes into our formula is intentionally selected for a specific reason. Each serving contains a scientifically backed effective dose rate, and then we tell you down to the farm level where every single ingredient came from. From there we have several third-party testing partners to ensure the utmost quality. Our goal is to open consumers' eyes and set the standard of transparency in the supplement industry. We believe other brands will be forced to do the same or be left behind.

**James:** A lot of supplement brands, even if they developed their own formula, don't manufacture their product. They hand that formula to a co-manufacturer, and things change on the manufacturing floor. There are often changes, tweaks in order to get the machines to flow properly, or to get the right consistency of the powder. And so it's important for brands to have some independent third party quality testing their product. It's something we look for as an investor, because brands are often surprised that their co-manufacturer is putting something in their product that they didn't even know was there -- and that could be really bad, based on the promise that they're making to their consumer.

The other bright spot trend we're seeing is that some of these key ingredients are becoming branded. There are premium versions of ashwagandha, for example, such as KSM 66 ashwagandha. The company that makes it spent the money to do a clinical trial to show the efficacy of that ingredient. Any consumer brand that includes that in their product then gets the benefit of making a claim against that clinical research, because the brand has done the proper clinical research around that medical claim. That's the intersection of pharmaceuticals and supplements.

**Jonathan:** I think there's a tremendous opportunity for bioscience and biotechnology to really transform this industry. I like to think of what we're doing as full stack, sort of like microbiome-to-market. Traditionally in the microbiome space, you're going down the I&D path to develop drugs. Again, 10 years, a billion dollars. We apply the same amount of rigor from a scientific discovery standpoint to develop proprietary strains. But we go down the route of "Generally Regarded As Safe" (GRAS) and self-GRAS.

**Stephen: Do you find, in terms of clinical trials and execution of the trials in the drug arena, that it can be complicated just to find patients and get them enrolled in the GRAS environment? Do you find that people are more willing to try something out?**

**Jonathan:** Absolutely. We spoke about the desire for gut health, for sleep health, for longevity, for relief from fatigue. I think when you publish papers on a discovery, and you tell people about what the value proposition is, people are interested. We managed to do decentralized clinical trials with app-based programs and Internal Review Boards (IRB). There are many ways we could accelerate translation and functional validation. And again, that rigor, now being applied to a provocative brand with ways to retain customers, is a very distinct value proposition.

**Neel: Jonathan, can you talk a bit more about app-based programs and IRBs?**

**Jonathan:** When you run clinical trials, in an ethical manner, you need IRB approvals. You obviously need consent forms, but you could run clinical trials through universities, or you can have decentralized programs where you can recruit participants through apps, and they can share their data in real time with whatever sort of clinical trials you're running. So, we're taking a lot of these different approaches to validate our products.

**Miray:** Most providers use a few manufacturers to produce their products. When we were searching for a white labeling partner, we found that certifications such as GMP certification and FDA-registered facilities were helpful to look for. However, after testing the products, we discovered that many providers didn't have the exact amount of ingredients that they claimed on their labels. If you want to create a Vivoo-labeled vitamin C supplement, you can onboard in a few weeks and start shipping right away. But even if you've tested the product and everything seems fine, you should continue to test it every three to six months, depending on its shelf life. Many organic compounds in supplements degrade over time and can interact with each other, so it's important to monitor the product regularly. Even if the manufacturer claims that the supplement contains 100 milligrams of vitamin C, retesting after six months could reveal that only 20 milligrams remain. Controlling and testing every step of the way can be challenging and costly, but third-party testing and control can ensure that you have a clear conscience, as the market currently lacks such regulations.

**Brooks:** Even before manufacturing begins, when sourcing ingredients, the extraction methods themselves make a big difference. Many suppliers spray-dry their raw materials, which is essentially just blasting hot air with additives like maltodextrin or silica dioxide. This process degrades the active ingredients — which of course is not disclosed on the label. Trying to find quality, traceable ingredients really shows you how big of a problem it is. A quick example- when we were sourcing beet powder, we must have contacted 30 organic beet suppliers. Only three of the suppliers could tell us where their beets came from. And then of those three, only one of them had a proper extraction process that met our quality standards. The deeper you go in, the more you realize how big the issue is.

**Olivia:** Some ingredients might also have seasonality that affects when you're getting your shipments. There are so many variables.
Something I wanted to add is that we have found that the largest amount of regulation is actually on what you can put on your label versus what you put in your product. There are the government regulations, but if you're planning on putting your product into retail, you really need to have a lot of regulatory compliance. Consultants, law firms, and various people who have experience in the industry should come in and check your product every step of the way, so if you went with that first compliance consultant you worked with, you could be setting yourself up to have a lot of packaging that you can't even use in the end. You want to get a lot of perspective. Different retailers have different regulatory things that they might say – some won't say things related to mental health, for example, or if you're advertising on Facebook, they have a totally different set of regulations that you must meet and words that you can and can't use. Those are things that you need to watch out for. If you're starting a company in this space or investing in a company in this space, make sure that someone has really, really looked through all of the details and different channels.

**Neel: What are your views about exit routes and timing for your respective businesses? Also, we would like to hear from the investors as they may have different time horizons in mind. James, can you kick us off on that topic?**

**James:** I was the board member of a vitamin supplements brand called OLLY, which was very successful in disrupting the vitamin category by delivering functional ingredients as easy-to-chew gummy vitamins in beautiful, high design packaging. Those three things were the brand moat, and OLLY built a large business and had a large exit, and it's now a big global business for Unilever.

So, the first – and I think probably the most likely – exit in this VMS category is strategic M&A. Large, multinational food and beverage consumer product brands use M&A as their research and development. It's how they drive innovation. If you can come up with a unique customer, insight a novel ingredient stack, and build a big enough business, I think M&A options will appear. The challenge with these large strategics is that they are very large revenue companies, so you must have enough revenue to move the needle before they will pay any attention to you. They're not going to acquire you just for your innovation or your team; you also need to have escape velocity in terms of revenue scale.

I think there's also the possibility of building a large, publicly traded brand, especially as over-the-counter supplements and healthcare start to merge. We're starting to see telehealth companies that are selling subscriptions to supplements, but they're also doing telehealth consults for hormone replacement therapy, or injectable peptides – things that require a prescription. The healthcare landscape is so vast that I think there's the potential to build ultimately IPOable companies. So that, I think, is exit path number two.

I'll mention a third which doesn't come up a lot:  the landscape of private equity is very busy acquiring companies that are profitable. If you don't have enough escape velocity in revenue, but you have a business that is generating profits every year, there are a number of different layers of private equity companies you've never heard of that just spend all day long acquiring and merging those types of companies, building a potentially multi-brand portfolio that then has enough escape velocity to go public. So, the private equity exit route is door number three.

**Olivia:** I think James really captured all three of the options we think about. Right now, we're really focused on profitability as a company. That's the most important thing, particularly in the environment that we're looking at right now, and the years immediately ahead of us. It's our North Star: profitability opens up all three of those options for us and gives us flexibility to exit on our terms.

**Steve:** We just had an experience with a company in the women's health space. The brand was Uqora, started by a woman who had a personal experience over a long period of time with UTIs. They went directly to the consumer, built a really interesting model, and it was acquired about a year ago by Pharmavite, one of the major supplement players in the industry. They had started through a Japanese parent, developing a product which they were bringing to market, also in the women's health area.  They saw this as a bridge to a group of consumers with whom Uqora already had a relationship, and they saw it as essential to building a new unit. So the transaction involved setting up essentially a new business unit that was dedicated exclusively to women's health. It incorporated both the original Uqora franchise and then this new group of consumers, with this new product that had come in through the Japanese R&D system of Pharmavite. It was a very successful transaction for the entrepreneurs and there was a lot of interest.  We hired an IB team to run a process and we had all the usual suspects in the data room. But I think because of this strategic wish on the part of Pharmavite to create a large category around women's health, the existence of the already-solid connection through the entrepreneurs into that community enabled them to get to closure relatively quickly. They quickly identified themselves as being the lead candidate to acquire the brand.

**James:** Companies get bought, they don't get sold, so the acquirer really must want it.

**Miray:** The company who acquired Uqora is one of our investors. And I asked them directly about how they make those decisions. They simplified down to this: an IP that cannot be easily overridden, clinically tested products, and a significant customer base.

**Jonathan:**  We have strategic investors, folks that could help us on the commercialization process, and they view our IP as something that could be transformative for their company. I'd also say that there's this interesting notion of how pharma is valued, and value and acquisition, even before regulatory approval or before there's a commercial product, versus  supplements. There's a unique aspect to what we do: we're trying to usher in ideas about where you could apply pharma-type technology and IP and efficacy.  I think that excites. It's our job to be disruptive. It's our job to create the future in real time. And I think it's this notion of applying biotechnology in new directions, preventing diseases before they start, decoding, looking for new sources in health. If you look at probiotics, most of them are decades old. We're sourcing our probiotics from the 0.1 percent of the human population and what's naturally evolved in their microbiome to promote optimal physiology. So for me, what's exciting is this full stack bioscience platform, where we could rapidly translate discoveries into real world products that help everyday people now, rather than 10 years from now. With the platform and the IP, you could then rapidly go from supplements to food tech, almost like co-branding B2B opportunities where now that technology is powering numerous commercial verticals. In many ways, I view supplements as accelerated health to completely de-risk, validate, and now scale.

**Olivia:** I really am excited. A huge cultural movement that we're seeing is that health is no longer something that's a conversation between just you and your doctor. Now, health is a conversation that's happening amongst friends. It's happening amongst families. It's happening on a global scale. Access to more information on the internet causes different problems and solutions. The quality of that information that people are getting is improving, and everyone's becoming an armchair expert in psychology and psychiatry and nutrition. But I think that's amazing. The more people become active and aware and thoughtful, the better, and it's good that they are having these conversations and seeking answers and researching on their own and becoming a true advocate for themselves; it leads to them being able to make choices about their own body and be able to look inside and think about what they personally need. I think that's an incredible thing we're seeing societally, as we're moving towards supplements. It's accessible in a way that's generally safe for people to explore, try things, learn about themselves, see what works and see what doesn't. It can allow someone to end up in their own health journey. I love that about the world of supplementation and health in general.

**Miray:** In the short term (1-3 years), I believe that companies that cater to the laziest customers in terms of business model and effectiveness will come out on top. In the mid-term (3-5 years), functional foods that are effective will emerge as the winners. In the long-term (5-10 years), I think the use of CRISPR technology to synthesize some of these molecules inside the body will be an intriguing solution.

**Brooks:** I'm really excited for people's eyes to start opening to the reality of their health and to feel empowered to make health decisions for themselves.

I'm also excited for the rise of adaptogen mushrooms. They are incredibly powerful and healing. These natural remedies have become an alternative to the current Pharma/ synthetic options that are pushed on people.

**Olivia:** Supplements are no longer just pills that you go and buy in the supplement's aisle at your natural food or health provider store. Supplements can be discovered, and there are lots of different avenues. For us, it's in innovative packaging, so products end up in stores like Anthropologie. People don't go shopping for women's fashion and start looking for supplements, but it's about asking how we can get it in new places where it can be discovered. These different channels then become great areas to introduce people to the idea of supplementation.

**James:** It was back in 400 BC that Hippocrates wrote that we should let food be our medicine. It's taken a while, but I am excited that humans are finally figuring out that simple truth. For supplements, I'm excited about this idea of ingredients stacking around functional benefits, and all the innovation that comes from the symphony effect of combining ingredients together. And I'm excited about this idea of "stealth health," that we can sneak these supplements into everyday food and beverages and hijack some of our existing daily habits for better nutrition and better health.